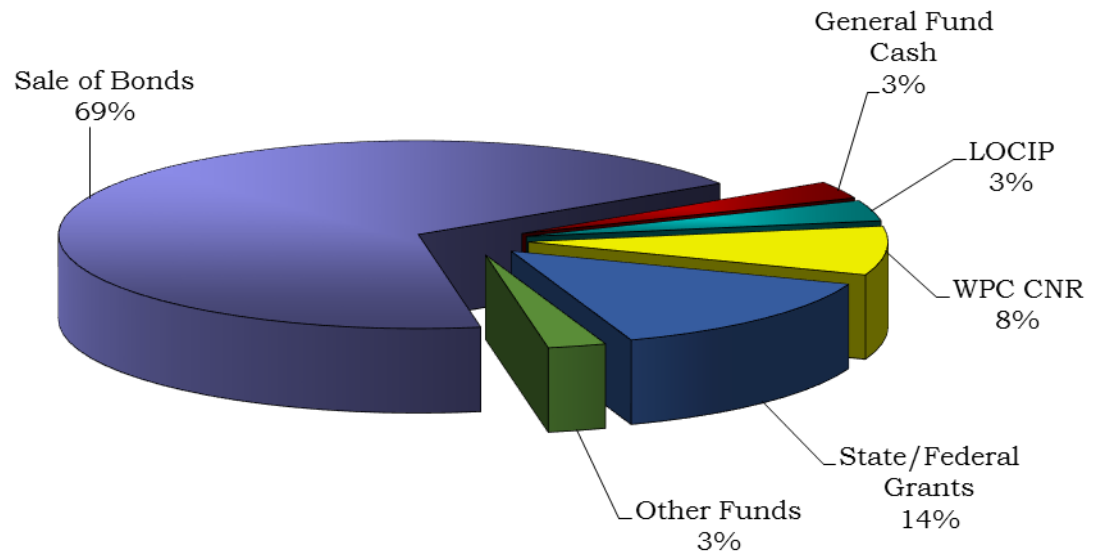


Capital Budget Summary The 2016 Approved Capital Budget



The graph illustrates the approved funding sources for the 2016 Capital Budget of \$18,357,570. The funding sources include \$12,595,815 or 69% from the sale of bonds, \$544,265 or 3% from General Fund Cash, \$650,000 or 3% from the State LOCIP fund, \$1,535,000 or 8% from the Water Pollution Control CNR fund, \$2,552,490 or 14% from other State/Federal funds and \$480,000 or 3% from Other Funds.

**Program Summaries-
Capital Budget Summary**

Capital Budget - (continued)

**CITY OF BRISTOL
Fiscal Year 2016
Capital Budget
Department and Funding Summary**

	Fiscal Year 2016 Capital Budget
<u>Department</u>	
Board of Education	\$2,407,570
Fire Department	170,000
Police Department	10,000,000
Parks Department	775,000
Public Works	3,070,000
Public Works - WPC	1,535,000
Memorial Boulevard Task Force	400,000
Total All Departments	<u>\$18,357,570</u>
<u>Funding</u>	
Sale of Bonds	\$12,595,815
General Fund Cash	544,265
LOCIP	650,000
WPC CNR	1,535,000
State/Federal Grants	2,552,490
Other Funds	480,000
Total All Funding	<u>\$18,357,570</u>

Capital Budget - (continued)

Overview

The Capital Improvement Plan (CIP) addresses the City's needs relating to the acquisition, renovation, and construction of facilities and systems. It consists of a ten-year plan, which identifies capital projects to be funded in the planning period.

The Capital Budget (CB) represents the first year of the Capital Improvement Plan. The primary difference between the CB and CIP is that the Capital Budget is a legal document that authorizes expenditures for specific projects for the life of the project. The CIP, on the other hand, includes the first year projects as well as nine years of future projects for which financing has not been secured or legally authorized. The "out years" of the CIP are not binding and, therefore, are subject to change.

Characteristics of Capital Expenditures

Despite their close interrelationship with the operational General Fund budget, capital expenditures have special characteristics that justify their inclusion in a special Capital Budget. They include:

- Essential public purpose that enhances the quality of life in the City;
- Long useful life – capital facilities and equipment have a relatively long useful life, once capital expenditures are made, they cannot be easily modified;
- Infrequent and expensive – in their technical and physical nature, most capital projects involve large infrequent expenditures that must be made before the benefits are realized;
- Related to other government functions – capital investments made by the City to support infrastructure are interrelated and are a part of a system that provides the public with a set of goods or services;
- Local government's responsibility to provide capital expenditures – local governments shoulder the largest share of financial responsibility for providing, operating, and maintaining City infrastructure;
- To satisfy bond counsel legal requirements: all new appropriations approved with a debt service source of funding will have immediate Bond Resolutions prepared by counsel and approved shortly thereafter by the Board of Finance and Joint Board.

Legal Requirements

Connecticut General Statutes Section 8-24 requires all public improvement projects be referred to the Municipal Planning Commission for conformance with the approved plan of development before any specific action can be made by the community.

Section 8-24 states in part: "No municipal agency or legislative body shall locate, accept, abandon, widen, narrow or extend any street, bridge, parking or other public way, locate, acquire land for, abandon, sell or lease any airport, park, playground, school or other municipally owned property or public building, extend or locate any public housing project or redevelop, recondition or improve any specific area, or take action on any proposal involving the extent and location of public utilities and terminals

Capital Budget - (continued)

whether publicly or privately owned, for water, sewerage, light, power, transit and other purposes, until the proposal to take such action has been referred to the (Planning) Commission for a report”.

The City of Bristol’s Capital Budget and Capital Improvement Program (CIP) has a multiple approval process:

- Department submits "departmental requests", usually approved by their respective oversight Boards, Agencies and/or Commissions.
- After compilation by the Comptroller's Office, the program is submitted to the Mayor's Expenditure Forecast Committee for discussion and preliminary approval.
- The Board of Finance holds a public hearing and appropriates the available funding for the individual projects during the regular budget approval process.
- The Joint Board adopts the Capital Budget at its annual adoption meeting.
- The Capital Budget is then referred to the Planning Commission for approval under Section 8-24 of the Connecticut General Statutes.

The City has been preparing and approving its CIP for many years. However, this is the seventh year the CIP was approved with the operating budget. Basically, it was the desire of the Board of Finance to have the CIP process mirror, as closely as possible, the operating budget process.

Bond Counsel and the City agreed that the following procedures would take place to assist in the issuance of short and long term debt:

1. The City should be able to obtain all of the approvals necessary to authorize the issuance of debt as part of the Capital Budget approval process.
2. By the time the City prepares its Capital Budget for any given year, projects will fall into two categories: (a) those for which the City has the detailed information needed in order to prepare the borrowing authorizations for approval at the same time as the Capital Budget; and (b) those for which the City does not have the necessary information at the time they are included in the Capital Budget.
3. In order for Bond Counsel to prepare authorization documents it is necessary to have detailed descriptions of the project, any preliminary plans, budgets segregated by general expense categories, and a listing of sources of funding other than borrowing, such as grants.
4. In cases where the City has adequate supporting information when the Capital Budget is prepared, the City will send the information to Bond Counsel, so that they can draft the appropriation and bond resolutions which must be approved in addition to the Capital Budget and the resolution for the Planning Commission. The resolutions will be forwarded along with related documents to the City so that they can be approved at the same time the Capital Budget is adopted.
5. In situations where the City does not yet have the information Bond Counsel needs to prepare the bond resolutions, the City can still include the projects in the Capital Budget. However, the City should only expend funds for preliminary planning expenses until the borrowing authorizations are in place.

Capital Budget - (continued)

6. The projects must then be approved by the Planning Commission under Section 8-24 of the General Statutes, and then the project appropriations and bond resolutions must be approved by the Board of Finance and Joint Board.

Funding Sources

Limited City resources are available to fund requested capital projects. Among the major sources of funding that are considered are:

- Pay-as-you-go financing – costs are paid directly from current City revenues, such as taxes and/or accumulated fund balances;
- Grants – from other governments (Federal and State);
- Loan proceeds - from other governments (Federal and State);
- Debt financing – external funding through the issuance of general obligation debt in the capital market.

There are no hard-and-fast rules for determining a “good mix” of financing sources. These decisions are based on the characteristics (cost, timing, location) of the capital expenditure proposal, as well as on the financial analysis (fiscal capacity, requirements for operating purposes, debt service, and limitations on the revenue system), and finally, on historical, economic, and political constraints operating within the City.

It has been past practice that the City funds the Capital Budget (1) from the Local Capital Improvement Program grant from the State of Connecticut and (2) to appropriate the “drop off” amortization, in year-to-year debt service.

Project Scheduling

Urgency and feasibility dictate the initial field of projects for the Capital Budget. The end result is a sequential listing of projects that can be reasonably financed, designed, constructed, and implemented.

Capital planning and budgeting is an essential element of City financial management. The Capital Budget as well as the Capital Improvement Program represents the framework for decision making. It provides a forum to discuss and resolve the political choices that the City makes about what to build, where and when to build or buy it, and how much to spend for it.

Capital Project Funds

There are four Capital Project Funds utilized by the City to account for financial resources used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds or Trust Funds). As previously mentioned on page 339, the Capital Budget represents the first year of the Capital Improvement Plan. The various Capital Project Funds are summarized below:

- **School Renovations Fund** – The City determined the need to renovate and upgrade all schools to meet the State Building Code requirements. The fund was originally established to renovate the two High Schools.

Capital Budget - (continued)

- **Capital Projects** – This fund is used to account for most City road, bridge, and sidewalk projects. The major projects in this fund are the infrastructure improvements, and bridge and street reconstruction.
- **Capital and Nonrecurring Funds** – These two funds were established for future City Capital and Non-Recurring projects as well as Water Pollution Control facilities.

Capital Budget Highlights

The first project is the implementation of the new City wide radio system. Because of the age and limited technology of the current system and because vendor support of the current system will not be available after December 31, 2016, replacement is necessary. City departments including but not limited to Police, Fire, Parks and Emergency Management will now all share the same radio system. The City had appropriated \$150,000 in prior years for consultants to assist in the design and selection of the new system. Cost to implement the project this year are estimated to be \$10,000,000.

The Board of Education projects consist of underground storage tank replacements at the Hubbell and Northeast Middle Schools and the replacement of the roof and repair of the parapet walls at the Hubbell School. The cost of replacing the tanks at the Hubbell and Northeast Middle Schools is \$138,945 and \$160,320, respectively. Cost of the Hubbell School roof and parapet walls project is \$2,108,305.

The Fire Department project for the year is the replacement of SCBA (Self Contained Breathing Apparatus) at a cost of \$400,000. These life saving devices are aging and in need of replacement every ten years based on NFPA standards. Last year, the plan called for the City providing \$60,000 in year one of the plan. Replacement of this vital safety equipment was accelerated this year with a \$170,000 appropriation by the City.



The Parks Department received funding for several projects. The City purchased a corner lot, once considered to be a brownfield but now cleaned and ready for restoration, at Dutton and Park Streets. This project will create a gateway treatment at the entrance of Rockwell Park complete with sidewalks, lights, benches and landscaping for a cost of \$50,000. The tennis courts at Page Park are the most widely used public tennis courts in the City and it's time to replace

the existing asphalt courts with new concrete courts complete with line poles, nets and striping. Cost of this project is \$250,000. The cost of both the Dutton and Park Streets and the Page Park projects are being funded using State LoCip funds. The HVAC system at the Dennis Malone Aquatic Center is failing and it, the pool heaters and the hot water heaters need to be replaced. Cost of this project is \$426,950, of which \$26,950 was appropriated in prior years and \$400,000 is funded for 2016. The City formed a Fields Committee and appropriated \$75,000 to determine the location for and estimated cost of a multi-purpose synthetic field for community use.

Capital Budget - (continued)

Public Works has a number of 2016 projects. The Frederick Street project will reconstruct the existing roadway at a cost of \$350,000, funded with State LoCIP funds. Based on a State DOT inspection rating, both the Down Street Bridge and the Louisiana Avenue Bridge will be replaced. The design phase of \$320,000 for the Down Street Bridge is being funded this year. The remaining cost of each project; \$2,100,000 for the Down Street Bridge and \$2,400,000 for the Louisiana Avenue Bridge, is expected to be 80% funded with State and Federal grants.



The existing sludge dewatering equipment at the Water Pollution Control (WPC) facilities is nearing the end of its designated useful life and is being replaced with more efficient equipment. The cost of this project, which also includes replacing the coating on the clarifier, is \$1,005,000. There are two WPC projects to replace sanitary sewer lines that are old, that are undersized, that are subject to settling and prone to clogging, that have old, unused laterals and that have a non-standard line of flow. Both projects will create better flowing lines and allow for a more standard sanitary sewer line. Cost of the sanitary sewer replacement for Frederick Street is \$330,000 and cost of the sanitary sewer replacement for Munchausen and Bartholomew is \$200,000. The total cost of these three projects of \$1,535,000 is being funded by WPC Capital Non-recurring funds.



The Memorial Boulevard Task Force (MBS Task Force) was created to study the existing conditions at the Memorial Boulevard School, to make recommendations for restoration and use of the building and to initiate the process for inclusion in the National/CT Register of Historic Places. The MBS Task Force has proposed the creation of a community cultural center for the building, development of its theater, and creation of a non-profit management entity while ownership of the building would still be with the City. The City has included \$400,000 in its 2016 budget for design costs related to the theater, the first floor and the mechanical systems. Any additional funding is pending the approval of the City Council accepting the MBS Task Force report on the use of the building.

**Impact of 2016 Capital Budget
Impact of Capital Budget on Operating Budget and Future**

The operating budget is directly impacted by the year-to-year Capital Budget and its project components. The 2016 budget has five projects approved for bonding for a total of \$12,595,815. In the chart on the next page, estimated principal debt payments are shown for the projects approved in 2016. The principal payments assume that long term debt would be issued for 15 years. Departments are asked to assess the impact that new projects may have on future operating costs. Not all projects will have quantitative measurements even if the expected result is greater efficiency or effectiveness and some projects are undertaken because they increase the safety of City employees and/or residents. The 2016 budget reflects the departmental estimates of the impact on operations for new capital projects or an operating savings in the longer term of \$98,100, in total. Most of the savings is due to yearly maintenance and upkeep for the specific projects that will be updated. The additional debt service will replenish the debt that is paid off, thus recycling the debt for these new projects. The impact, while showing \$839,725 in addition yearly debt, will be offset by the decline of debt service in the out years and will minimally impact the mill rate.

Program Summaries- Capital Budget Summary

Capital Budget - (continued)

Long-range Operating Financial Plans

City officials recognize that Debt Service is closely aligned with the City's 10-year Capital Improvement (CIP) preparation.

The City's funding sources for its CIP are: (1) cash, by means of mill rate, (2) grants, (3) the issuance of debt through General Obligation bonds and notes and (4) other sources such as contingency balances in other funds.

When it comes to the issuance of debt, the City's long-range financial plan is to, generally, authorize no more than \$6-10 million of bondable capital projects per fiscal year.

A conscious effort is made to not issue debt annually, but to issue new accumulated authorized debt every two to three years after the last debt issuance. This strategy captures for two to three years the year to year the amount of principal and interest paid. The new debt issuance is then sized and structured to refill the new payment to a previous budgeted level. The net effect is to keep debt declining for up to three years, then issue debt with payments that equal the decline.

FY 2016 Capital Budget			Annual Operating Budget Impact			
Project	Current Appropriation	Total Project Appropriation	Personnel Services	Other Operating Costs	Debt Service Cost***	Total
<u>Public Works</u>						
Frederick Street Reconstruction	\$350,000	\$350,000		(\$40,000)		(\$40,000)
Replacement of Down Street Bridge	\$320,000	\$2,420,000			\$21,333	\$21,333
Louisiana Bridge Replacement	\$2,400,000	\$2,700,000		(\$20,000)		(\$20,000)
WPC Facility Renovations	\$1,005,000	\$1,005,000		(\$35,600)		(\$35,600)
Sanitary Sewer Replacement - Frederick Street	\$330,000	\$330,000				\$0
Sanitary Sewer Replacement - Munchausen and Bartholomew	\$200,000	\$200,000				\$0
Subtotal Public Works	\$4,605,000	\$7,005,000	\$0	(\$95,600)	\$21,333	(\$74,267)
<u>Parks</u>						
Multi-Purpose Field*	\$75,000	\$1,500,000				\$0
Develop Corner Lot Dutton & Park	\$50,000	\$50,000				\$0
HVAC Replacement- DMAC	\$400,000	\$426,950			\$26,667	\$26,667
Renovate Page Park Tennis Courts	\$250,000	\$250,000		(\$2,500)		(\$2,500)
Subtotal Parks	\$775,000	\$2,226,950	\$0	(\$2,500)	\$26,667	\$24,167
<u>Board of Education</u>						
Hubbell School Oil Tank Replacement	\$138,945	\$138,945				\$0
Northeast Middle School Oil Tank Replacement	\$160,320	\$160,320				\$0
Hubbell School Roof Replacement/Repainting	\$2,108,305	\$2,108,305			\$98,388	\$98,388
Subtotal Board of Education	\$2,407,570	\$2,407,570	\$0	\$0	\$98,388	\$98,388
<u>Police Department</u>						
Radio Communication System Replacement	\$10,000,000	\$10,150,000			\$666,667	\$666,667
Subtotal Police Department	\$10,000,000	\$10,150,000	\$0	\$0	\$666,667	\$666,667
<u>Fire Department</u>						
SCBA- Replacement	\$170,000	\$400,000				\$0
Subtotal Fire Department	\$170,000	\$400,000	\$0	\$0	\$0	\$0
<u>Memorial Boulevard Task Force</u>						
Restoration of Memorial Boulevard School Building**	\$400,000	\$14,027,575			\$26,671	\$26,671
Subtotal Memorial Boulevard Task Force	\$400,000	\$14,027,575	\$0	\$0	\$26,671	\$26,671
Total	\$18,357,570	\$36,217,095	\$0	(\$98,100)	\$839,725	\$741,625

* Pending the approval of the City Council accepting the Fields Committee report and site location for the field.

** Pending the approval of the City Council accepting the Memorial Boulevard Task Force report on the use of the building.

*** Cost for Debt service is estimated on a 15 year bond issue and only includes principal payments. This does not include debt that is coming off prior projects. This estimate is included for illustrative purposes only.

**Program Summaries-
Capital Budget Summary**

Capital Budget - (continued)

Project Number: 16-1	
Project Name: Radio Communications System Replacement	
Purpose: To secure a reliable radio system that meets the needs of all City of Bristol departments prior to the expiration of the current system support in December 2016.	
Funding Source: Bonding	
Project Appropriations:	\$10,000,000 FY 2016, \$150,000 Prior Appropriations, Total Cost \$10,150,000

Project Number: 16-3	
Project Name: Hubbell School Underground Storage Tank	
Purpose: To replace the 6,000 gallon tank and monitoring system.	
Funding Source: General Fund Cash	
Project Appropriations:	\$138,945 FY 2016, Total Cost \$138,945

Project Number: 16-4	
Project Name: Northeast Middle School Underground Storage Tank	
Purpose: To replace the 10,000 gallon tank and monitoring system.	
Funding Source: General Fund Cash	
Project Appropriations:	\$160,320 FY 2016, Total Cost \$160,320

Project Number: 16-5	
Project Name: Hubbell School Roof Replacement and Repointing	
Purpose: To replace the roof and repair parapet walls.	
Funding Source: Bonding, State Grant	
Project Appropriations:	\$2,108,305 FY 2016, Total Cost \$2,108,305

**Program Summaries-
Capital Budget Summary**

Capital Budget - (continued)

Project Number: 16-8 Project Name: SCBA Replacement	
Purpose: To replace the Fire Department's SCBA (Self-Contained Breathing Apparatus) equipment.	
Funding Source: General Fund Cash	
Project Appropriations:	\$170,000 FY 2016, \$60,000 Prior Appropriations, \$170,000 Future Costs, Total Cost \$400,000

Project Number: 16-9 Project Name: Multi-purpose Field	
Purpose: To construct a multi-purpose synthetic field for community use.	
Funding Source: General Fund Cash	
Project Appropriations:	\$75,000 FY 2016, \$1,425,000 Future Costs, Total Cost \$1,500,000

Project Number: 16-10 Project Name: Develop Corner Lot Dutton and Park	
Purpose: To develop the property into a park gateway treatment.	
Funding Source: State Grant - LOCIP	
Project Appropriations:	\$50,000 FY 2016, Total Cost \$50,000

Project Number: 16-11 Project Name: HVAC Replacement - DMAC	
Purpose: To replace the failing HVAC system at indoor pool.	
Funding Source: Bonding	
Project Appropriations:	\$400,000 FY 2016, \$26,950 Prior Appropriations, Total Cost \$426,950

**Program Summaries-
Capital Budget Summary**

Capital Budget - (continued)

Project Number: 16-12	
Project Name: Renovate Page Park Tennis Courts	
Purpose: To excavate and remove from site, for all five tennis courts, the existing asphalt surface and install new concrete courts complete with line poles, nets and striping.	
Funding Source: State Grant - LOCIP	
Project Appropriations: \$250,000 FY 2016, Total Cost \$250,000	

Project Number: 16-13	
Project Name: Frederick Street Reconstruction	
Purpose: To reconstruct the existing roadway, repair drainage, install bituminous pavement, curbing, driveway aprons and loam and seed.	
Funding Source: State Grant - LOCIP	
Project Appropriations: \$350,000 FY 2016, Total Cost \$350,000	

Project Number: 16-17	
Project Name: Replacement of Down Street Bridge	
Purpose: To replace the existing Down Street bridge over the Pequabuck River.	
Funding Source: Bonding	
Project Appropriations: \$320,000 FY 2016; Total Cost \$2,420,000	

Project Number: 16-19	
Project Name: Louisiana Bridge Replacement	
Purpose: To replace the Louisiana Avenue Bridge based on DOT inspection rating.	
Funding Source: State and Federal Grants	
Project Appropriations: \$2,400,000 FY 2016, Prior Appropriations \$300,000, Total Cost \$2,700,000	

**Program Summaries-
Capital Budget Summary**

Capital Budget - (continued)

Project Number: 16-21	
Project Name: Water Pollution Control Facility Renovations	
Purpose: To upgrade the existing sludge dewatering facilities equipment coming to the end of its designated life with more efficient equipment and to replace the coating on the clarifier.	
Funding Source: WPC CNR Fund	
Project Appropriations: \$1,005,000 FY 2016, Total Cost \$1,005,000	

Project Number: 16-22	
Project Name: Sanitary Sewer Replacement - Frederick Street	
Purpose: To replace the existing sanitary sewer under Frederick Street, which is undersized, has settled and is prone to clogging with a better flowing and more cost effective line.	
Funding Source: WPC CNR Fund	
Project Appropriations: \$330,000 FY 2016, Total Cost \$330,000	

Project Number: 16-23	
Project Name: Sanitary Sewer Replacement - Munchausen Avenue and Bartholomew Street	
Purpose: To replace the existing sanitary sewer under Munchausen Avenue and Bartolomew Street, which is old and runs mostly through easements, with a more standard sanitary sewer line.	
Funding Source: WPC CNR Fund	
Project Appropriations: \$200,000 FY 2016, Total Cost \$200,000	

Project Number: 16-24	
Project Name: Restoration of the Memorial Boulevard School Building	
Purpose: To restore the former Memorial Boulevard School and re-use the structure as a multi-use facility and theater.	
Funding Source: Bonding	
Project Appropriations: \$400,000 FY 2016, Prior Appropriations \$27,575, Total Cost \$14,027,575	

Program Summaries- Capital Budget Summary

Capital Budget - (continued)

CITY OF BRISTOL 2015-16 CAPITAL BUDGET
MAYOR'S 10 YEAR CAPITAL IMPROVEMENT COMMITTEE APPROVED MARCH 11, 2015
BOARD OF FINANCE APPROVED APRIL 28, 2015
JOINT BOARD APPROVED MAY 18, 2015, PENDING PLANNING COMMISSION REVIEW

Project #	Department	Project Name	REQUEST			FUNDING SOURCE						
			4	5	6	7	8	9	10	11	12	13
			Project Cost	Prior Appropriations	2015/2016 Request	2015/2016 Bonding	2015/2016 General Fund Cash	2015/2016 LOCIP	2015/2016 WPC CNR	2015/2016 Grants	2015/2016 Other Funds	Future Costs
16-1	Police	Radio Communications System Replacement	10,130,000	150,000	10,000,000	10,000,000						0
16-3	BOE	Hubbell School Underground Storage Tank	138,945		138,945		138,945					0
16-4	BOE	Northeast Middle School Underground Storage Tank	160,320		160,320		160,320					0
16-5	BOE	Hubbell School Roof Replacement/Repointing	2,108,305		2,108,305	1,475,815				632,490		0
16-8	Fire	SCBA (Self Contained Breathing Apparatus)Replacement	400,000	60,000	170,000		170,000					170,000
16-9	Parks	Multi-Purpose Field*	1,500,000		1,500,000		75,000					1,425,000
16-10	Parks	Develop Corner Lot Dutton & Park	50,000		50,000			50,000				0
16-11	Parks	HVAC Replacement- DMAC	426,950	26,950	400,000	400,000						0
16-12	Parks	Renovate Page Park Tennis Courts	250,000		250,000			250,000				0
16-13	Public Works	Fredrick Street Reconstruction	350,000		350,000			350,000				0
16-17	Public Works	Replacement of Down Street Bridge	2,420,000		320,000	320,000						2,100,000
16-19	Public Works	Louisiana Bridge Replacement	2,700,000	300,000	2,400,000					1,920,000	480,000	0
16-21	Public Works - WPC	WPC Facility Renovations	1,005,000		1,005,000				1,005,000			0
16-22	Public Works - WPC	Sanitary Sewer Replacement - Frederick Street	330,000		330,000				330,000			0
16-23	Public Works - WPC	Sanitary Sewer Replacement - Murchison and Bartholomew Road	200,000		200,000				200,000			0
16-24	Memorial Blvd Task Frc	Restomtion of Memorial Boulevard**	\$38,217,095	\$564,525	\$19,782,570	\$12,596,815	\$544,265	\$650,000	\$1,535,000	\$2,552,490	\$480,000	\$17,256,000

7/1/2015

Notes:

*Pending the approval of the City Council accepting the Fields Committee report and site location for the field.

**Pending the approval of the City Council accepting the Memorial Boulevard Task Force report on the use of the building.

